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**CALIFORNIA MAN SENTENCED TO 18 MONTHS IN COMMUNITY
CORRECTIONAL FACILITY IN CONNECTION WITH SCHEME TO DEFRAUD
FIRST INTERNATIONAL BANK AND EXPORT-IMPORT BANK**

WASHINGTON – Carlos Serrano, 64, of Glendale, Calif., was sentenced to 18 months in a community correctional facility in connection with a \$1.3 million scheme to defraud the First International Bank of Connecticut (FIB) and the Export-Import Bank of the United States (Ex-Im Bank), Acting Assistant Attorney General Rita M. Glavin of the Criminal Division and U.S. Attorney Thomas P. O'Brien of the Central District of California announced today.

Serrano was sentenced on Feb. 9, 2009, in U.S. District Court for the Central District of California by Judge Christina A. Snyder. In addition to his prison sentence, Serrano was placed on five years of probation and ordered to pay restitution of \$924,569 to the Ex-Im Bank.

Following a four-day trial, Serrano was convicted on Sept. 18, 2008, of conspiring to commit bank fraud and committing bank fraud in connection with a fraudulent \$1.3 million loan transaction involving FIB and the Ex-Im Bank. At trial, the jury heard testimony that in approximately November 2000, Serrano met with alleged co-conspirators and agreed to act as an exporter in a loan transaction between a company in the Philippines and FIB, in which the Ex-Im Bank acted as guarantor. According to trial testimony, Serrano's sole job in the transaction was to obtain a \$200,000 down payment from the Philippine company, purchase \$1.3 million in U.S. goods on behalf of the Philippine company, ship the purchased goods to the Philippine company and certify to FIB and the Ex-Im Bank that he had purchased and shipped those goods. The jury heard testimony that Serrano contacted U.S. suppliers using a fake name for the purpose of obtaining price quotes, but that he never actually purchased any goods. Jurors also heard testimony that Serrano certified in documents sent to and relied upon by FIB and the Ex-Im Bank that he had purchased \$1.3 million in U.S. goods and shipped those goods to the Philippines.

In reliance on Serrano's false statements, FIB sent Serrano \$1.1 million in loan proceeds. Testimony revealed that after receiving the loan proceeds, Serrano paid himself approximately \$28,000, sent approximately \$949,000 to an alleged co-conspirator and sent approximately \$160,000 to a company in Singapore. As a result of the fraud, the Ex-Im Bank lost \$924,569.

This case is part of a broader investigation into an \$80 million scheme to defraud the Ex-Im Bank between November 1999 and December 2005. To date, eight individuals – Serrano, Daniel Curran, Christina Song, Edward Chua, David Villongco, Robert Delgado, Jaime Galvez

and Edward Javier – have been convicted for their involvement in the fraud scheme. Curran was sentenced on April 23, 2008, to 41 months in prison; Song was sentenced on Oct. 2, 2008, to 37 months in prison; Chua was sentenced on May 14, 2008, to 37 months in prison; Villongco was sentenced on Feb. 29, 2008, to 33 months in prison; Delgado was sentenced on Oct. 5, 2007, to two years in prison; Galvez was sentenced on Jan. 7, 2008, to one year in prison; and Javier was sentenced on July 18, 2008, to six months in prison.

In addition, four other individuals – Marilyn Ong, Ildefonso Ong, Nelson Ti and Joseph Tirona – have been indicted by a federal grand jury in the District of Columbia for their alleged involvement in the scheme. An indictment is merely an accusation, and the defendants are presumed innocent unless proven guilty.

The case was prosecuted by Assistant Chief Hank Bond Walther of the Criminal Division's Fraud Section and Jason P. Gonzalez of the U.S. Attorney's Office for the Central District of California. The case was investigated by the U.S. Postal Inspection Service and the FBI.

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